United Nations A/59/600

General Assembly

Distr.: General
8 December 2004

Original: English

Fifty-ninth session
Agenda item 107
Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget outline for the biennium 2006-2007

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget outline for the biennium 2006-2007 (A/59/415). In the course of its deliberations, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The Committee notes from paragraph 2 of the report that, in establishing a preliminary estimate for the biennium 2006-2007, the current level of appropriations and related commitments, namely, $3,179.2 million, was taken as the starting point. On that basis, the Secretary-General proposes a preliminary estimate of resources for the biennium 2006-2007, expressed in initial 2004-2005 prices, amounting to $3,359.2 million, as shown in the table contained in paragraph 2 of the report. As indicated in paragraph 10, the preliminary estimate, excluding special political missions, maintains the estimate of regular budget established activities at the same level as the approved appropriations for the biennium 2004-2005 — an equivalent to zero real growth.

3. The Advisory Committee recalls that the purpose of the budget outline is to provide Member States with a preliminary indication of the resources that may be required in the coming biennium. Once the outline is approved, the Secretary-General prepares the budget on that basis. In accordance with General Assembly resolution 41/213 of 19 December 1986, these estimates can be either higher or lower than the preliminary estimate approved on the basis of the budget outline.

4. As indicated in paragraph 3 of the report, an amount of $11.2 million would be required for the full biennial provision in the biennium 2006-2007 for posts that are partially funded in the current biennium. These include new posts at the

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Professional level and above (costed at 50 per cent and 65 per cent for the General Service and related categories on the recommendation of the Advisory Committee).

5. Paragraph 4 of the report indicates that one-time costs amounting to $21.7 million, included in the biennium 2004-2005, would not be required. These provisions relate mainly to the strengthening of the security and safety of United Nations operations, staff and premises. In addition, there were non-recurrent costs for substantive and public information support related to the Eleventh United Nations Congress on Crime Prevention and Criminal Justice, the eleventh session of the United Nations Conference on Trade and Development and the World Summit on the Information Society.

6. An amount of $10.5 million for new or expanded activities or events foreseen and/or mandated in the biennium 2006-2007 is included in the budget outline. The resources, as indicated in paragraph 5 of the report, are foreseen to strengthen human rights and humanitarian assistance, the economic sector, humanitarian activities and the United Nations Office at Nairobi. The estimates also include the requirements for public information support for the conferences and meetings, mentioned therein, foreseen in the next biennium, as well as provisions to meet requirements for after-service health insurance, reflecting the growth of the population entitled as well as higher insurance costs.

7. In paragraph 4 of the report, it is indicated that the costs provided in the biennium 2004-2005 for special political missions are treated as being of a recurrent nature. The Committee notes that the initial provision for special political missions in 2004-2005 amounted to $169.4 million. However, paragraph 6 of the outline indicates that it is estimated that full biennial provision in 2006-2007 for special political missions currently existing in the biennium 2004-2005 would exceed $350 million. Furthermore, although the present composition may change, it is not anticipated that the overall level will decrease substantively. Taking this into account, an increase of $180 million is included, thus putting the funding level for special political missions at $349.4 million in the biennium 2006-2007.

8. The size of the contingency fund is discussed in paragraph 11 of the report of the Secretary-General. The Committee notes that the Secretary-General recommends that it be maintained at 0.75 per cent of the proposed outline for 2006-2007. **The Advisory Committee concurs with the Secretary-General's proposal and points out that it should be utilized in accordance with General Assembly resolutions 41/213 and 42/211 of 21 December 1987. Moreover, this should be brought to the attention of governing bodies whenever decisions involving financial implications are taken.**

9. The Advisory Committee was informed that, using the adjustments consequential to the first performance report for the biennium 2004-2005 (A/59/578), the 2006-2007 budget outline figure of $3,359.2 million would become $3,483.7 million. However, the overall level of estimated requirements for 2006-2007 will depend on the decisions of the General Assembly regarding the proposals for security, special political missions and other revised estimates and programme budget implications currently before the Fifth Committee. The Committee was informed that, as at 6 December 2004, these would likely total $261.9 million, including the delayed impact of growth (minus the deduction of one-time cost elements). **The Committee points out that this figure includes the impact of the Secretary-General's request for the discontinuation of cost-sharing for security.**

Although the Advisory Committee has recommended that cost-sharing be maintained, its recommendation would impact on estimates of income, rather than expenditure, and thus do not affect the preliminary estimate for the outline, which is based on expenditure only.

10. If the amount of $261.9 million is added to the $3,483.7 million mentioned above, the total becomes $3,745.6 million, which would represent the projection based on all the data provided thus far by the Secretariat. In this connection, the Committee points out that the Secretariat is maintaining the estimate of an additional $180 million for special political missions first calculated in October 2004. The Advisory Committee has been informed that the financial impact of developments since then, if accepted by the General Assembly, could add at least $30 million to that figure, not including any delayed impact for 2006-2007. Under the circumstances, the Committee is of the opinion that it may be prudent to "round up" the projection of $3,745.6 million to $3,760 million to take at least partial account of potential charges for special political missions.

11. **Accordingly, the Advisory Committee recommends that the General Assembly adopt a preliminary estimate of $3,760 million for the biennium 2006-2007 at revised 2004-2005 rates.**

United Nations A/59/601

General Assembly

Distr.: General
8 December 2004

Original: English

Fifty-ninth session
Agenda item 108
Programme budget for the biennium 2004-2005

First performance report on the programme budget for the biennium 2004-2005

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the first performance report of the Secretary-General on the programme budget for the biennium 2004-2005 (A/59/578 and Add.1). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. In accordance with the recommendations of the Advisory Committee,[1] endorsed by the General Assembly at its thirty-second session, in resolution 32/212 of 21 December 1977, the first performance report on the programme budget for the biennium 2004-2005 identifies adjustments required owing to variations in the rates of inflation and exchange and in standards assumed in the calculation of the initial appropriations. The report also takes into account the additional mandates that the General Assembly and the Security Council have approved after the appropriation of the programme budget, unforeseen and extraordinary items that could not be deferred to the second year of the biennium and decisions of policy-making organs that, in the view of the Secretary-General, are best dealt with in the context of the first performance report. **The Committee finds the report well prepared, with adequate technical information and analysis. The Committee has, however, commented below on matters where, in its opinion, there is a need to present information in a more transparent manner.**

3. The revised requirements under the expenditure sections amount to $3,351.1 million, an increase of $172.0 million, or 5.4 per cent, as compared with the appropriation level of $3,179.2 million approved in June 2004. The revised income estimates for the biennium amount to $424.7 million, an increase of $9.4 million, or 2.3 per cent, as compared with the initial estimate of $415.3 million. Consequently, revised net requirements amount to $2,926.4 million, an increase of $162.5 million, or 5.9 per cent, as compared with the appropriated net requirements of $2,763.9

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million (see General Assembly resolutions 58/271 A and B and 58/295) (A/59/578, para. 3).

4. The Advisory Committee was informed that additional requirements for the biennium 2004-2005 not included in the first performance report and under consideration by the General Assembly would amount to some $312.7 million for requests related to strengthening of security and special political missions and other requirements. If approved, this would bring the total revised requirements for the biennium 2004-2005 to some $3,663.8 million (see annex I to the present report).

5. The Advisory Committee recalls that, pursuant to General Assembly resolution 58/270 of 23 December 2003, the Board of Auditors examined the recosting methodology of the United Nations regular budget. Recosting of the budget entails the revision of budgeted estimates on the basis of adjustments to costing parameters. These adjustments would take into account currency fluctuations, inflation and changes in staff costs and vacancies. **The Committee agrees with the Board that the budget methodology currently in place at the United Nations is reasonable (see A/59/400, para. 18).**

6. The Advisory Committee notes from paragraph 8 of the performance report that, taking into account General Assembly resolution 58/270, paragraph 36, in which the General Assembly decided to defer the appropriation of budgetary provisions for the Joint Inspection Unit for the year 2005, the first performance report includes recosting adjustments in respect of the provision for 2004 for the Joint Inspection Unit, while no budgetary provision for 2005 or related recosting is included.

7. The Advisory Committee was informed on the status of the contingency fund for the biennium 2004-2005. The level of the contingency fund was approved by the General Assembly in resolution 57/280 in the amount of $21.6 million. The balance of the fund after the fifty-eighth session was $11.3 million and $7.5 million after the fifty-ninth session proposals (see annex II to the present report). Under the procedures of the contingency fund, the Secretary-General will be submitting a consolidated statement of all revised estimates and statements of programme budget implications considered thus far at the fifty-ninth session of the General Assembly, in respect to the programme budget for the biennium 2004-2005.

8. As can be seen from the table in paragraph 6 of the performance report, the increase of $171,953,500 in expenditures reflects the impact of the following additional requirements:

(a) $7,445,700 under unforeseen and extraordinary expenses in respect of peace and security, the International Court of Justice and inter-organizational security measures in accordance with General Assembly resolution 58/273;

(b) $40,597,700 resulting from decisions of policy-making organs;

(c) $123,910,100 related to variations in budgetary assumptions, including changes in exchange rates ($79,431,900), changes in inflationary assumptions ($32,814,000), adjustments to standard salary costs ($3,063,400) and vacancies ($8,600,800).

A. Unforeseen and extraordinary expenses

9. Paragraphs 9 to 11 of the performance report explain the additional requirements of $7,445,700 resulting from unforeseen and extraordinary expenses, which fall under the terms of General Assembly resolution 58/273 of 23 December 2003. Under the provisions of the resolution, commitments were entered into, as follows: (a) $7,337,800 certified by the Secretary-General as relating to the maintenance of peace and security; (b) $103,700 certified by the President of the International Court of Justice as relating to unforeseen expenses in respect of the Court; and (c) $4,200 for inter-organizational security measures.

10. Paragraph 11 of the performance report shows the breakdown of the commitments in the amount of $7,337,800 certified by the Secretary-General as relating to the maintenance of peace and security. These expenses relate to budget sections 1, Overall policy-making, direction and coordination ($664,800); section 3, Political affairs ($3,659,700); and section 24, Human rights ($3,013,300).

B. Decisions of policy-making organs

11. An additional requirement of $40.6 million relates to decisions of policy-making organs. This amount includes (a) $39.7 million for strengthening the security and safety of the United Nations operations, staff and premises, (b) $0.8 million for requirements of the Office of the President of the General Assembly and (c) $0.04 million for the cost of holding a Security Council meeting in Nairobi (see A/59/578, para. 14).

12. The issues related to strengthening the security and safety of the United Nations operations, staff and premises are explained in paragraphs 15 and 16 of the performance report. The updated costing parameters reflected in the report have been applied to the resources initially approved by the General Assembly in its resolution 58/295, which authorized the Secretary-General to enter into commitments mostly for security infrastructure enhancements.

13. The requirements of the Office of the President of the General Assembly are discussed in paragraphs 17 to 20 of the performance report. In its resolution 58/126 of 19 December 2003, the Assembly decided that the resources available to the Office of the President of the General Assembly in personnel and other support costs should be augmented from within existing resources. The Assembly also decided that five additional posts should be made available to supplement current support, of which three should be filled on an annual basis, following consultations with the incoming President, beginning at the fifty-ninth session of the Assembly. The Committee notes that two vacant posts (1 P-3 and 1 P-4) have been identified within the existing establishment of the Department for General Assembly and Conference Management. The remaining three posts (1 D-2, 1 D-1 and 1 General Service (Other level)) have not been identified and an additional appropriation of $815,000 is requested for the biennium 2004-2005. **The Advisory Committee is of the opinion that these remaining three posts should also be provided through redeployment. Accordingly, the Advisory Committee recommends that the amount of $815,000 be absorbed from within existing resources for the biennium 2004-2005.**

C. Variations in budgetary assumptions[2]

Exchange rates

14. The increase of $79.4 million in requirements is due to changes in exchange rates, as discussed in paragraphs 26 to 30 of the performance report. The methodology used by the Secretary-General in recosting the impact of exchange rate fluctuations is in conformity with the recommendation of the Advisory Committee that the Secretary-General should use such operational rates of exchange in the recosting exercises as would allow for the lowest estimates in each case.[3] Schedule 3 of the report provides detailed information on the operational rates of exchange in 2004 for all main duty stations. Annex I.A to the performance report shows the breakdown of the additional requirement of $79.3 million due to changes in exchange rates by expenditure sections of the programme budget for the biennium 2004-2005, and annex I.B shows the breakdown of the projected changes due to changes in exchange rates by duty station, with the larger increases in Geneva ($54.9 million), Vienna ($13.0 million) and Santiago ($8.1 million).

15. The Advisory Committee notes that, as stated in paragraph 26 of the report, the realized exchange rate from January to November 2004 has been applied to the first eleven months of 2004 and the November rate applied to December 2004. For 2005, either the average operational rate of exchange experienced thus far in the biennium (the averaging method) or the November rate (the latest rate) has been applied for each duty station, so as to allow for the lowest estimate for each duty station in respect of requirements for the related currency. Adjustments resulting from actual experience in 2005 will be reflected in the second performance report.

Inflation

16. Additional requirements of $32.8 million resulting from the application of revised inflation rates are discussed in paragraphs 31 to 35 of the performance report. Schedules 1, 2 and 4 show the revised inflation rates that affect all objects of expenditure ($21.2 million related to Professional posts, $3.6 million related to General Service posts and $7.0 million related to all non-post objects). Annex I.A to the performance report shows the breakdown of the additional requirement of $32.8 million due to revised inflation rates by expenditure sections of the programme budget for the biennium 2004-2005, and annex I.B shows the breakdown of the projected changes due to inflation by duty station, with the larger increases in New York ($14.9 million), Addis Ababa ($6.5 million) and Geneva ($5.6 million).

17. The Advisory Committee notes that the increase in requirements related to non-post objects of $7.0 million includes the regular budget share of $0.4 million in the estimated cost increase of $3.1 million in the insurance premium of the malicious acts insurance policy covering the United Nations system staff operating in duty stations with heightened security. This cost increase of $3.1 million is budgeted and accounted for on a gross basis under section 31, Jointly financed activities; the United Nations share would amount to $1.1 million ($0.4 million under the regular budget and $0.7 million under the budgets of peacekeeping operations and the International Tribunals for the Former Yugoslavia and Rwanda). The Committee was provided upon request with additional information on the malicious acts insurance policy (see annex III to the present report).

Adjustments to standards costs

18. Adjustments to standard costs of $3.1 million reflect the net effect of changes in salary standard costs ($1.9 million) and common staff costs ($1.2 million). Increases in expenditure due to changes in staff assessment ($1.6 million) are offset by an equivalent increase in related income from staff assessment shown under income section 1 of the programme budget for the biennium 2004-2005. Paragraphs 36 to 38 of the performance report provide information on the reasons for the increases. Annex I.A to the performance report shows the breakdown of the additional requirement of $3.1 million due to adjustments to standard costs by sections of the programme budget for the biennium 2004-2005, and annex I.B shows the breakdown of the projected changes by duty station, with the largest increase in New York ($15.0 million), offset largely by the decreases in Geneva ($8.1 million), Addis Ababa ($3.4 million), Vienna ($2.3 million) and Bangkok ($1.4 million).

Vacancy

19. Additional requirements of $8.6 million would result from the adjustments to vacancy factors for staff in the Professional and higher categories. The effective budgeted rate for the budget for the biennium 2004-2005 was 6.1 per cent. For 2004, the level of vacancies experienced is about 5.5 per cent. For 2005, it is assumed that the same level of vacancies would be realized (see A/59/578, para. 39). Annex I.A to the performance report shows the breakdown of the additional requirement of $8.6 million due to changes in vacancy assumptions by sections of the programme budget for the biennium 2004-2005, and annex I.B shows the breakdown of the projected changes in vacancies by duty station, with the larger increases in New York ($4.2 million), Geneva ($2.0 million) and Addis Ababa ($0.5 million).

20. For posts in the General Service and related categories of staff, the effective budgeted rate for the programme budget for the biennium 2004-2005 was 3.9 per cent. For 2004, the level of vacancies experienced for staff in the General Service and related categories is about 3.2 per cent. For 2005, the Advisory Committee notes that, in the light of the suspension of recruitment for this category of staff, it is assumed that it would be premature to adjust the overall biennial vacancy rate and such an adjustment, if required, would be considered on the basis of the information available at the time of the preparation of the second performance report for the biennium 2004-2005; therefore, no adjustment for vacancies for staff in the General Service and related categories is included in the performance report (see A/59/578, para. 41). The Committee was provided with vacancy statistics of authorized posts under the regular budget, as at 31 October 2004 (see annex IV to the present report).

D. Other matters

Redeployment of posts

21. In its resolution 58/270, the General Assembly requested the Secretary-General to commence, on an experimental basis, during the course of the programme budget for the biennium 2004-2005, with the redeployment of up to 50 posts, as necessary, to meet the evolving needs of the Organization in attaining its mandated programmes and activities, in accordance with a number of principles, as listed in paragraph 51 of the performance report. The Committee was briefed in detail on the steps taken to comply with the General Assembly resolution, as

summarized in paragraphs 52 to 54 of the performance report. In 2004, it was not possible to identify such posts. Explanations were provided on the inherent difficulties in arriving at a listing of surplus staffing resources within a particular programme and therefore available for redeployment to another programme. During the preparation of the budget proposal for the biennium 2004-2005, some 800 posts were considered for redeployment, taking into account the priority of mandated activities. Moreover, the difficulty of identifying posts for redeployment was partially the result of very low vacancy rates for Professional posts (4.9 per cent in October 2004). The Committee was provided with a graph of changes in vacancy rates in 2004 for Professional posts (see annex V to the present report).

22. **The Advisory Committee recalls that, in paragraph 65 of its first report on the proposed programme budget for 2004-2005,[4] it pointed out that, as part of normal personnel practice, the continuing need for a post should be evaluated prior to filling that post again. Staff turnover does provide an element of flexibility, especially if the staffing table is managed as a whole. In this regard, the Committee stressed the need to view the allocation of posts as dynamic, rather than static; posts need to be reviewed periodically to ensure that their functions are consistent with current objectives. Moreover, the Committee indicated in paragraph 75 of the above-mentioned report that departments would not "own" particular posts at particular grade levels. The Committee is disappointed with the apparent reluctance of the Secretariat thus far to comply with the General Assembly's directives in resolution 58/270. The Committee believes that there should be greater efforts made to utilize the flexibility given to the Secretary-General in implementing mandated programmes, rather than proceeding automatically to propose new posts.**

23. In this connection, the Committee was informed that, given the lessons learned thus far, the strategies being employed will be adjusted to reflect a more proactive approach, rather than a dependency on the existence of vacant posts. To this end, strategies will focus on the forecasting of the posts which will become vacant due to retirement within the period concerned. The same strategy is also being applied in the review of staffing requirements in the formulation of budget proposals for the biennium 2006-2007. In that context, the Committee was informed that lists have already been transmitted to the heads of departments and offices, reflecting those posts from which an incumbent is expected to retire during 2005 and the biennium 2006-2007, so as to better identify future opportunities for flexibility in the management of staffing tables.

Repertory of Practice of United Nations Organs

24. Paragraphs 48 to 50 of the performance report cover the issues related to the mobilization of regular resources for the *Repertory of Practice of the United Nations Organs*. As requested by the General Assembly in resolution 58/270, paragraph 44, the performance report includes information on the possibilities for absorption with existing resources. The Advisory Committee notes that no existing resources have yet been identified for redeployment to enable work to proceed on the *Repertory*; two departments, however, have indicated that they are examining the possibility of rearranging resources.

25. The Advisory Committee notes that, with regard to the mobilization of extrabudgetary resources, the Secretary-General, in his report on the *Repertory of*

Practice of United Nations Organs and the *Repertoire of the Practice of the Security Council* (A/59/189) drew reference to paragraph 111 of the report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization, in which the Committee recommended that the General Assembly review the possibility of establishing at its fifty-ninth session, a trust fund for the preparation, updating and publication of the *Repertory*. The Advisory Committee intends to comment further on the *Repertory* and the *Repertoire*, including the timely production of the *Repertory* in all official languages, in the context of its first report on the proposed programme budget for the biennium 2006-2007.

United Nations Official Document System

26. The report of the Secretary-General on the implementation of the United Nations Official Document System (ODS) (A/59/578/Add.1) provides a review of the increasing availability and expansion of the use of the system over the last two bienniums. The report also presents an overview of improvements currently under way to enhance the implementation and use of ODS at Headquarters and at offices away from Headquarters.

27. The Advisory Committee notes the steady progress made in the implementation of ODS at Headquarters and at offices away from Headquarters, as stated in paragraphs 7 to 17 of document A/59/578/Add.1. New servers have been installed and configured for the purpose of providing ODS access free of charge to users through the Internet. The Committee was informed that the system is in place and is being tested. In addition, direct linkages to General Assembly and Security Council documents in all official languages are now provided on the United Nations web site.

28. All offices away from Headquarters are loading their documents on ODS. The Economic Commission for Africa is doing so on a pilot basis and the Economic and Social Commission for Asia and the Pacific is doing so through the Dag Hammarskjöld Library of the Department of Public Information. The Committee was informed that new, more powerful and reliable document loading servers are being shipped to offices away from Headquarters so as to facilitate the loading of documents and improve the quality and reliability of the loading process. Efficiency gains are expected both in time and resources, since documents no longer need to be shipped and printing-on-demand will save storage space that was previously used for storing large quantities of stock copies.

29. The Advisory Committee notes from paragraph 21 of the performance report that one of the major concerns in implementing free access to ODS is ensuring parity of all language versions of documents posted by offices away from Headquarters. The majority of documents archived by offices away from Headquarters are available only in the working languages of the duty stations or specific intergovernmental organs. **The Advisory Committee recommends that the Department for General Assembly and Conference Management consider the feasibility of ensuring full parity for language versions of all documents posted on ODS.**

E. Conclusions

30. **With the exception of the reduction of $815,000 mentioned in paragraph 13 above, the Advisory Committee recommends that the General Assembly approve the revised estimates contained in the Secretary-General's report, subject to such adjustments as may be necessary as a result of its consideration of matters now before it, including estimates related to special political missions and security (see para. 4 above) and the consolidated statement of revised estimates and programme budget implications (see para. 7 above).**

Notes

[1] *Official Records of the General Assembly, Thirty-second Session, Supplement No. 8* and corrigendum (A/32/8 and Corr.1).

[2] Adjustments for exchange rates and inflation that are reported below exclude the adjustments which have already been made with respect to unforeseen and extraordinary expenses and those resulting from decisions of policy-making organs.

[3] *Official Records of the General Assembly, Fifty-first Session, Supplement No. 7* (A/51/7/Add.1-9), document A/51/7/Add.6, para. 5.

[4] Ibid., *Fifty-eighth Session, Supplement No. 7* and corrigendum (A/58/7 and Corr.1).

Annex I

Preliminary estimated regular budget appropriation for the biennium 2004-2005 as at 1 December 2004

(Thousands of United States dollars)

Appropriation		
Initial appropriation (General Assembly resolution 58/271 A)	3 160 860.3	
Additional appropriation (General Assembly resolution 58/295)	18 335.8	
		3 179 196.1
First performance		
(a) Unforeseen and extraordinary expenses	7 445.7	
(b) Commitment authority — strengthening of security	39 745.3	
(c) President of the General Assembly	815.0	
(d) Security Council meeting in Nairobi	37.4	
(e) Exchange rates	79 431.9	
(f) Inflation	32 814.0	
(g) Other standards	3 063.4	
(h) Vacancies	8 600.8	
		171 953.5
Revised estimates/programme budget implications		
Strengthening of security	97 074.2	
Special political missions, Sudan	17 788.2	
Special political missions, Additional for 2005	174 747.2	
Special political missions, Special Court for Sierra Leone	20 000.0	
Economic and Social Council	573.6	
United Nations International Research and Training Institute for the Advancement of Women	1 092.4	
Programme budget implications		
Committee for Programme and Coordination on cost accounting	500.0	
Rights of the child	1 622.2	
Cloning	37.5	
2005 Summit?	-	
Human Resources resource issues?	-	
Conference Services, Nairobi?	-	
Office of Internal Oversight Services?	-	
Joint Inspection Unit?	-	
		313 435.3
Revised total		**3 664 584.9**

Annex II

Contingency fund 2004-2005

(Thousands of United States dollar)

Level of contingency fund

Amount approved by the General Assembly in resolution 57/280	21 600.0

	Appropriation	*Set aside*	*Balance*
Fifty-eighth session action			
Revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive and resumed substantive sessions of 2003 (A/C.5/58/10, A/58/7/Add.8, A/58/573)	280.0	193.8	473.8
Improving and modernizing the conference facilities at the United Nations Office at Nairobi (A/58/530, A/58/7/Add.6, A/58/573)	1 032.0	-	1 032.0
The illicit trade in small arms and light weapons in all its aspects (A/C.5/58/17, A/58/7/Add.14, A/58/646)	1 375.6	-	1 375.6
Future operations of the International Research and Training Institute for the Advancement of Women (A/C.5/58/24, A/58/7/Add.20, A/58/649)	-	234.7	234.7
Ad Hoc Committee on a Comprehensive and Integral International Convention on Protection and Promotion of the Rights and Dignity of Persons with Disabilities (A/C.5/58/25, A/58/7/Add.21, A/58/650)	626.2	-	626.2
Oceans and the law of the sea (A/C.5/58/22, A/58/7/Add.16, A/58/648)	305.6	-	305.6
Administrative and financial implications arising from the report of the Standing Committee of the United Nations Joint Staff Pension Board (A/C.5/58/27, A/58/7/Add.19, A/58/573)	1 504.5	-	1 504.5
Implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (A/C.5/58/31, A/58/7/Add.26, A/58/655)	1 338.7	-	1 338.7
Protection of global climate for present and future generations of mankind (A/C.5/58/32, A/58/7/Add.27, A/58/656)	3 394.4	-	3 394.4
Subtotal	**9 857.0**	**428.5**	**10 285.5**
Balance after fifty-eighth session action	**11 743.0**	**-**	**11 314.5**

	Proposal	*ACABQ*	*For appropriation*	*Set aside*	*Balance*
Fifty-ninth session proposals					
Revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session and its first resumed substantive session of 2004 (A/59/393)	573.6	-	573.6	-	573.6
Programme budget implications of recommendations contained in the report of the Committee for Programme and Coordination (A/59/16, A/C.5/59/13)	500.0	-	500.0	-	500.0
Future operations of the International Research and Training Institute for the Advancement of Women (A/C.5/59/__)	1 092.4	-	1 092.4	-	1 092.4
Programme budget implications of draft resolution on the rights of the child (A/C.5/59/22)	1 622.2	-	1 622.2	-	1 622.2
Programme budget implications on the International convention against the reproductive cloning of human beings (A/C.5/59/__)	37.5	-	37.5	-	37.5
PBI — 2005 Summit?	-	-	-	-	-
PBI — JIU?	-	-	-	-	-
PBI — HR issues?	-	-	-	-	-
PBI — Conference Services, Nairobi?	-	-	-	-	-
PBI — OIOS issues?	-	-	-	-	-
Subtotal	**3 825.7**	-	**3 825.7**	-	3 825.7
Balance after fifty-ninth session proposals	-	-	**7 917.3**	-	**7 488.8**

Annex III

Background note on the malicious acts insurance policy

1. The malicious acts insurance policy was first instituted as a result of an International Labour Organization Administrative Tribunal ruling (forty-third ordinary session, Judgement No. 402), taken in Geneva on 4 April 1980, which in its considerations stated, inter alia, that "it is a fundamental principle of every contract of employment that the employer will not require the employee to work in a place which he knows or ought to know to be unsafe". It further stated that "this principle is to be applied with due regard to the nature of the employment", for some types of which there are "unavoidable risks". The Tribunal suggested that the test as to whether the risk attached to the nature of employment is abnormal "might be to consider whether an insurance company could ... properly demand an additional premium for cover against the risk ... If so, the risk would be abnormal". The Tribunal concluded that "an employee is not obliged to run abnormal risks for the benefit of his employer, at any rate unless he is given insurance cover, ... [and] that it might be irresponsible to require a staff member to return to a high risk area without offering him full insurance cover". Therefore, by its very nature, the policy is considered as an administrative matter pertaining to terms and conditions of service of the United Nations system staff.

2. The malicious acts insurance policy is a voluntary insurance programme, which until recently has been managed by the Office of the United Nations Security Coordinator on behalf of the Inter-Agency Security Management Network. At present it is managed by the Office of Programme Planning, Budget and Accounts of the Department of Management. The selection of the insurer is undertaken through the procurement process established by the Financial Regulations and Rules of the United Nations. Participation in the policy can be terminated at any time by a subscriber.

3. The scope and nature of the coverage for United Nations system personnel has been determined by the subscribing organizations. Although coverage conditions and general policy terms were negotiated by the Office of the United Nations Security Coordinator (currently by the Office of Programme Planning, Budget and Accounts) with the insurer, on behalf of the Inter-Agency Security Management Network of the High Level Committee on Management, the Office of the United Nations Security Coordinator and the Office of Programme Planning, Budget and Accounts have no direct authority over the policy terms and conditions; rather, they act as a "broker" for the participating subscribers.

4. The following organizations are participating in the malicious acts insurance policy: the United Nations, including its funds and programmes, tribunals, special missions and peacekeeping operations, the International Trade Centre UNCTAD/WTO, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization/Pan American Health Organization, the International Civil Aviation Organization, the International Maritime Organization, the United Nations Industrial Development Organization, the International Atomic Energy Agency, the International Organization for Migration, the Joint United Nations Programme on HIV/AIDS and the Preparatory Commission for the Comprehensive Nuclear-Test-

Ban Treaty Organization. The last three organizations are non-United Nations system organizations subscribed for the policy.

5. With regard to the inclusion of countries under the policy, this has been determined in the past by the security phase in effect and the threat to United Nations system personnel. However, during its annual meeting in the spring of 2003, and in response to rising global threats to the United Nations system personnel operating in the field, the Inter-Agency Security Management Network reached a consensus to broaden the policy to have worldwide coverage with the exception of 10 countries where United Nations system headquarters are located (United States of America, Austria, Canada, France, Germany, Italy, Japan, the Netherlands, Switzerland and the United Kingdom of Great Britain and Northern Ireland). The High Level Committee on Management approved the Network's decision in 2003, and the expanded malicious acts insurance policy coverage came into effect on 1 January 2004. Therefore, at present, the malicious acts insurance policy is a global insurance policy.

6. The policy covers malicious acts which are defined as involving death or disability (permanent or partial) caused directly or indirectly by war, invasion, hostility, acts of foreign enemies, whether war be declared or not, civil war, revolution, rebellion, insurrection, military or usurped power, riots or civil commotion, sabotage, explosion of war weapons, terrorist activities (whether terrorists are the country's own nationals or not), murder or assault by foreign enemies or any attempted threat, occurring in a covered country. The policy establishes certain conditions that are required to be fulfilled prior to submission of a claim. The coverage is not effective unless appropriate security clearance has been obtained. It is the responsibility of the individual staff member to obtain appropriate security clearance from the designated official of the area to be visited prior to departure. Security clearance is mandatory for only official travel to areas that have a declared United Nations security phase in effect, as well as for travel on home leave. A staff member who fails to obtain security clearance prior to travel will void the insurance coverage for the period of travel. The insurance covers only staff members. Dependants are not covered.

7. Benefits under this policy are as follows:

(a) For staff in the Professional category whose duty station is one of the designated countries, the benefits are $500,000 per person for death or permanent total disability and payment according to the "continental scale" for partial disability. In the latter case, the policy defines the percentage scale for benefits payable in the event of partial disability;

(b) For Professional internationally recruited staff members, experts and consultants on mission, travel or daily subsistence allowance status and other official visitors in the designated countries, the benefits are $500,000 per person for death or permanent total disability and payment according to the "continental scale" for permanent partial disability;

(c) For internationally and nationally recruited General Service or Field Service staff members and those paid according to the Field Service salary scale, the benefits are 10 times the annual salary up to a maximum of $500,000 for death or permanent total disability and payment according to the "continental scale" for partial disability. Annual salary is defined as the net salary in effect for the insured person's level and step at the time of the incident at the duty station. All additional allowances, that is, spouse and child benefits, are excluded in calculations.

Annex IV

Vacancy statistics of authorized posts under the regular budget (by section), as at 31 October 2004

Section		Professional			General Service			Total		
		Authorized	*Vacant*	*Rate*	*Authorized*	*Vacant*	*Rate*	*Authorized*	*Vacant*	*Rate*
001	Overall policy-making, direction and coordination	65	4	5.8	76	0	0.0	141	4	2.8
002	General Assembly affairs and conference services	950	39	4.1	964	28	2.9	1 914	67	3.5
003	Political affairs	140	14	10.0	124	8	6.5	264	22	8.3
004	Disarmament	35	5	14.3	20	1	5.0	55	6	10.9
005	Peacekeeping operations	49	1	2.0	311	26	8.4	360	27	7.5
006	Peaceful uses of outer space	15	0	0.0	5	0	0.0	20	0	0.0
007	International Court of Justice	45	1	2.2	53	3	5.7	98	4	4.1
008	Legal affairs	85	6	7.1	61	1	1.6	146	7	4.8
009	Economic and social affairs	317	32	10.1	224	2	0.9	541	34	6.3
010	Least developed countries, landlocked developing countries and small island developing States	10	1	10.0	4	0	0.0	14	1	7.1
011	United Nations support for the New Partnership for Africa's Development	19	2	10.5	11	0	0.0	30	2	6.7
012	Trade and development	228	5	2.2	167	3	1.8	395	8	2.0
014	Environment	29	3	10.3	17	1	5.9	46	4	8.7
015	Human settlements	48	4	8.3	25	0	0.0	73	4	5.5
016	Crime prevention and criminal justice	26	0	0.0	9	0	0.0	35	0	0.0
017	International drug control	49	1	2.0	24	1	4.2	73	2	2.7
018	Economic and social development in Africa	223	13	5.8	349	23	6.6	572	36	6.3
019	Economic and social development in Asia and the Pacific	179	4	2.2	315	9	2.9	494	13	2.6
020	Economic development in Europe	119	0	0.0	76	4	5.3	195	4	2.1
021	Economic and social development in Latin America and the Caribbean	192	9	4.7	311	23	7.4	503	32	6.4
022	Economic and social development in Western Asia	107	6	5.6	184	1	0.5	291	7	2.4
024	Human rights	120	10	8.3	57	4	7.0	177	14	7.9
025	Protection of and assistance to refugees	2	0	0.0	0	0	0.0	2	0	0.0
026	Palestine refugees	99	7	7.1	11	0	0.0	110	7	6.4
027	Humanitarian assistance	44	0	0.0	17	0	0.0	61	0	0.0
028	Public information	275	9	3.3	473	19	4.0	748	28	3.7
029	Management and central support services	380	12	3.2	1 296	43	3.3	1 676	55	3.3
030	Internal oversight	61	4	6.6	30	3	10.0	91	7	7.7
	Subtotal	**3 911**	**192**	**4.9**	**5 214**	**203**	**3.9**	**9 125**	**395**	**4.3**
	Income section 3 Services to the public	15	3	20.0	88	6	6.8	103	9	8.7
	Grand total	**3 926**	**195**	**5.0**	**5 302**	**209**	**3.9**	**9 228**	**404**	**4.4**

Annex V

Budgeted and actual vacancy rates in the Professional and higher categories

2004